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Canada Border Services Agency

Future-Oriented Statement of Operations

Canada Border Services Agency (Agency Activities)

Future-Oriented Statement of Operations (Unaudited)

For the Year Ending March 31

(in thousands of dollars)		
	Forecast Results 2018	**Planned Results 2019**
Expenses		
Border Management	1,426,911	1,418,598
Internal Services	381,121	363,565
Border Enforcement	222,576	232,078
Total expenses	**2,030,608**	**2,014,241**
Revenues		
Sales of goods and services	20,942	20,942
Other	2,300	2,300
Revenues earned on behalf of government	(4,812)	(4,812)

Total revenues	**18,430**	**18,430**
Net cost of operations before government funding and transfers	**2,012,178**	**1,995,811**

The accompanying notes form an integral part of the Future-Oriented Statement of Operations.

1. Methodology and Significant Assumptions

The Future-Oriented Statement of Operations has been prepared on the basis of government priorities and departmental plans as described in the Departmental Plan.

The information in the forecast results for fiscal year 2017-2018 is based on actual results as at October 31, 2017 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for the fiscal year 2018-2019.

The main assumptions underlying the forecasts are as follows:

- The CBSA is facing an increasingly complex environment, made more challenging by virtue of the Agency's authorities declining in the future.
- Expenses and revenues, including the determination of amounts internal and external to the government, are based on past experience. The general historical pattern is expected to continue.
- Estimated year-end information for 2017-2018 is used as the opening position for the 2018-2019 planned results.

These assumptions are made as at November 29, 2017.

2. Variations and Changes to the Forecast Financial Information

Although every attempt has been made to forecast final results for the remainder of 2017-2018 and for 2018-2019, actual results achieved for both years are likely to differ from the forecast information presented, and this variation could be material.

In preparing this Future-Oriented Statement of Operations, the CBSA has made estimates and assumptions about the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

Factors that could lead to material differences between the Future-Oriented Statement of Operations and the historical statement of operations include:

- the timing and amount of acquisitions and disposals of tangible capital assets may affect gains,

losses and amortization expense;
- the implementation of new collective agreements;
- economic conditions, which may affect the amount of revenue earned and the collectability of accounts receivable;
- other changes to the operating budget, such as new initiatives or technical adjustments later in the fiscal year.

After the Departmental Plan is tabled in Parliament, the CBSA will not be updating the forecasts for any changes in financial resources made in ensuing supplementary estimates. Variances will be explained in the Departmental Results Report.

3. Summary of Significant Accounting Policies

The Future-Oriented Statement of Operations has been prepared using the Government of Canada's accounting policies in effect for fiscal year 2017-2018, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

a) Expenses

The CBSA records expenses on an accrual basis.

Other expenses are generally recorded when goods are received or services are rendered and include expenses related to personnel, professional and special services, repair and maintenance, utilities, materials and supplies, as well as amortization of tangible capital assets. Provisions to reflect changes in the value of assets or liabilities, such as provision for bad debts and other are also included in other expenses.

b) Revenues

Revenues reported in the Future-Oriented Statement of Operations include regulatory fees collected on behalf of the Government of Canada under legislation such as the Immigration and Refugee Protection Act and the Canadian Food Inspection Agency Act.

Revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.

Revenues that are non-respendable are not available to discharge the CBSA's liabilities. Although the president of the CBSA is expected to maintain accounting control, he has no authority over the disposition of non-respendable revenues. As a result, non-respendable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented as a reduction of the CBSA's gross revenues.

4. Parliamentary Authorities

The CBSA is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the CBSA differs from financial reporting according to generally accepted accounting principles because authorities are based mainly on cash flow requirements. Items recognized in the Future-Oriented Statement of Operations in one year may be funded through parliamentary authorities in prior, current, or future years. Accordingly, the CBSA has different net cost of operations for the year on a government funding basis than on an accrual accounting basis.

The differences are reconciled in the following tables:

a) Reconciliation of net cost of operations to requested authorities

(in thousands of dollars)		
	Forecast Results 2018	**Planned Results 2019**
Net cost of operations before government funding and transfers	2,012,178	1,995,811
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(77,203)	(85,300)
Loss on disposal of tangible capital assets	(555)	(1,109)
Services provided without charge by other government departments	(179,502)	(182,088)
Increase in vacation pay and compensatory leave	(1,523)	(1,523)
Decrease in employee future benefits	4,272	4,272
Bad debt expense	(441)	(441)
Refunds of previous years' expenditures	4,957	4,957
Total items affecting net cost of operations but not affecting authorities	(249,995)	(261,232)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	167,595	158,968
Proceeds from disposal of tangible capital	(24)	(479)

assets		
Total items not affecting net cost of operations but affecting authorities	167,571	158,489
Requested authorities	**1,929,754**	**1,893,068**

b) Authorities requested

(in thousands of dollars)		
	Forecast Results 2018	**Planned Results 2019**
Authorities requested		
Vote 1 – Operating expenditures	1,777,929	1,646,059
Vote 5 – Capital expenditures	296,526	198,710
Statutory amounts	186,381	170,346
	2,260,836	2,015,115
Total available authorities for future year	(186,365)	(122,717)
Authorities to transfer or lapse	(144,717)	-
	(331,082)	(122,047)
Requested authorities	**1,929,754**	**1,893,068**

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